

STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the matter of:

Mark R. Cooper
System ID No. 142631

Enforcement Case No. 07-5264

Cooper Insurance Center, Inc.
System ID No. 040294

Respondent

Issued and entered
on September 23, 2009
by Stephen R. Hilker
Chief Deputy Commissioner

CONSENT ORDER AND STIPULATION

A. FINDING OF FACTS AND CONCLUSIONS OF LAW

1. At all pertinent times involved herein, Mark R. Cooper was a licensed insurance producer, solicitor and insurance adjuster to transact the business in the State of Michigan.
2. At all pertinent times involved herein, Respondent Cooper transacted insurance business through his agency, Cooper Insurance Center, Inc.
3. At all pertinent times involved herein, Respondent Cooper Insurance Center was an insurance agency licensed as an insurance producer insurance producer authorized to transact business in the State of Michigan.
4. At all pertinent times involved herein, Respondent Mark R. Cooper was the owner and President of Respondent Cooper Insurance Center and was/is responsible for all transactions and activities conducted through Cooper Insurance Center.
5. Respondents' principal place of business is located at 2105 University Park Drive, Suite C-2, Okemos, Michigan 48864.
6. The Office of Financial and Insurance Regulation received allegations filed by North American Specialty Insurance Company against Respondents.

7. North American Specialty Insurance Company claimed thousands of dollars in bond premiums as not having been paid by Respondents, and claimed theft and embezzlement on the part of Respondent, Mark R. Cooper.
8. In conjunction with said claims, North American Specialty Insurance Company filed a federal lawsuit against the Respondents re-alleging the same claims it had made against the Respondents to the Office of Financial and Insurance Regulation.
9. In the federal lawsuit, the trial judge dismissed all claims against Respondent Mark R. Cooper, personally, and opined that North American Specialty Insurance Company had no basis for making its allegations against Mark R. Cooper, personally.
10. At trial, North American Specialty Insurance Company ("NAS") presented proof that it appointed an agent at Cooper Insurance Center to write surety bonds; that the agent brought her relationship with NAS to Respondent Cooper Insurance Center when she joined Cooper Insurance Center in 2004; that neither Mark R. Cooper, nor any other agent of Cooper Insurance Center, had written insurance through NAS Surety Group with the exception of this agent; and she was the only Cooper Insurance employee who had any dealings with NAS.
11. A jury determined that North American Specialty Insurance Company was owed \$253,715.24 in premiums that had never been collected by the agent and Cooper Insurance Center.
12. The jury found that Respondent Cooper Insurance Center breached the Surety Agency Agreement with NAS by failing to remit all of the premiums due or rightfully owed to NAS, but Respondent Cooper Insurance Center was not found to have been withholding insurance premiums collected or converting monies/funds owed to NAS.
13. Respondent Cooper Insurance Center alleges that all amounts that were determined to be owed by Cooper Insurance Center to NAS were attributed to premiums that were not collected by the agent while she was acting as an agent for Cooper Insurance Center.
14. Respondent Cooper Insurance Center and NAS entered into a settlement with respect to the monies/funds owed NAS attributable to said premiums, and Cooper Insurance Center has made full payment to NAS under the terms of said settlement.
15. Upon notice by NAS of what had transpired, Respondent Cooper Insurance Center terminated its contract with the agent.
16. Respondent Cooper Insurance Center relied upon the agent to invoice the premiums due NAS, but Respondents failed to properly supervise the agent and to ensure insurance premiums were properly invoiced and/or remitted to NAS.

17. Since the incident as recited herein, Cooper Insurance Center has put procedures in place wherein these circumstances cannot occur again.
18. There was no failure by the Respondents to forward insurance premiums to NAS that had been collected.
19. There was a failure of an agent of Respondent Cooper Insurance Center and Respondent Cooper Insurance Center to properly collect insurance premiums that were found to have been owed NAS.
20. Respondent Cooper Insurance Center was found to be legally responsible for the omission of its agent's failure to properly collect insurance premiums that were found to have been owed NAS.
21. NAS has granted a full release of liability and settlement with Respondents.
22. The matter in question with NAS was fully resolved to the satisfaction of both parties for \$7,500.
23. As licensed insurance producer, Respondents knew or had reason to know that Section 1239(1)(h) of the Michigan Insurance Code, ("Code") allows the Commissioner to place on probation, suspend, or revoke an insurance producer's license or levy a civil fine under Section 1244 for "Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere."
24. Respondent Cooper Insurance Center as licensed insurance agency and licensed insurance producer has the financial responsibility to have in place a mechanism for the collection of insurance premiums and remittance of those insurance premiums to which they are owed.
25. The agent and Respondents were responsible for the collection of certain premiums in this instance did not do what was expected of them, and for that reason, Cooper Insurance Center made restitution to NAS.

B. ORDER

Based upon the findings of fact and conclusions of law above, and Respondent's stipulation to said facts, it is hereby ORDERED that:

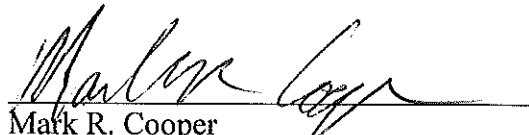
1. Respondents have taken action to be in compliance of Section 12339(1)(h) of the Code, MCL 500.1239(1)(h) and shall continue to operate in such a manner as to not violate Section 1239(1)(h) of the Code, MCL 500.1239(1)(h).
2. Respondents shall ensure that a proper procedure is in place at all times for the collection and remittance of insurance premiums, as required by Section 1207 of the Code, MCL 500.1207.
3. Respondent Cooper Insurance Center shall pay a civil fine to the State of Michigan in the amount of Five Hundred Dollars (\$500.00) for the failure to have properly collected insurance premiums owed NAS, as required by the Michigan Insurance Code. Upon issuance and entry of this Order, OFIR will send an Invoice to Respondent Cooper Insurance Center and said Respondent shall pay the fine by the due date printed on the invoice.
4. This resolves all issues of this enforcement case and is a final order.

OFFICE OF FINANCIAL AND
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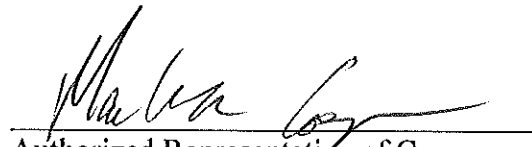
By: Stephen R. Hilker
Stephen R. Hilker
Chief Deputy Commissioner

C. STIPULATION

I have read and understand the consent order above. I agree that the Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. I waive the right to a hearing in this matter if this consent order is issued. I understand that this stipulation and consent order will be presented to the Commissioner for approval and the Commissioner may or may not issue this consent order. I waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. I neither admit nor deny the facts set forth in the above consent order, but agree to the entry of this order.


Mark R. Cooper
System ID No. 142631


Dated: 9-17-09


Authorized Representative of Cooper
Insurance Center, Inc.
System ID No. 0040294

Print Name: MARK R COOPER

Dated: 9-17-09

The OFIR staff approves this stipulation and recommends that the Commissioner issue the above Consent Order.


William R. Peattie

Dated: 9/22/09